

STATEMENT OF PURPOSE

RS27440C1 / H0360

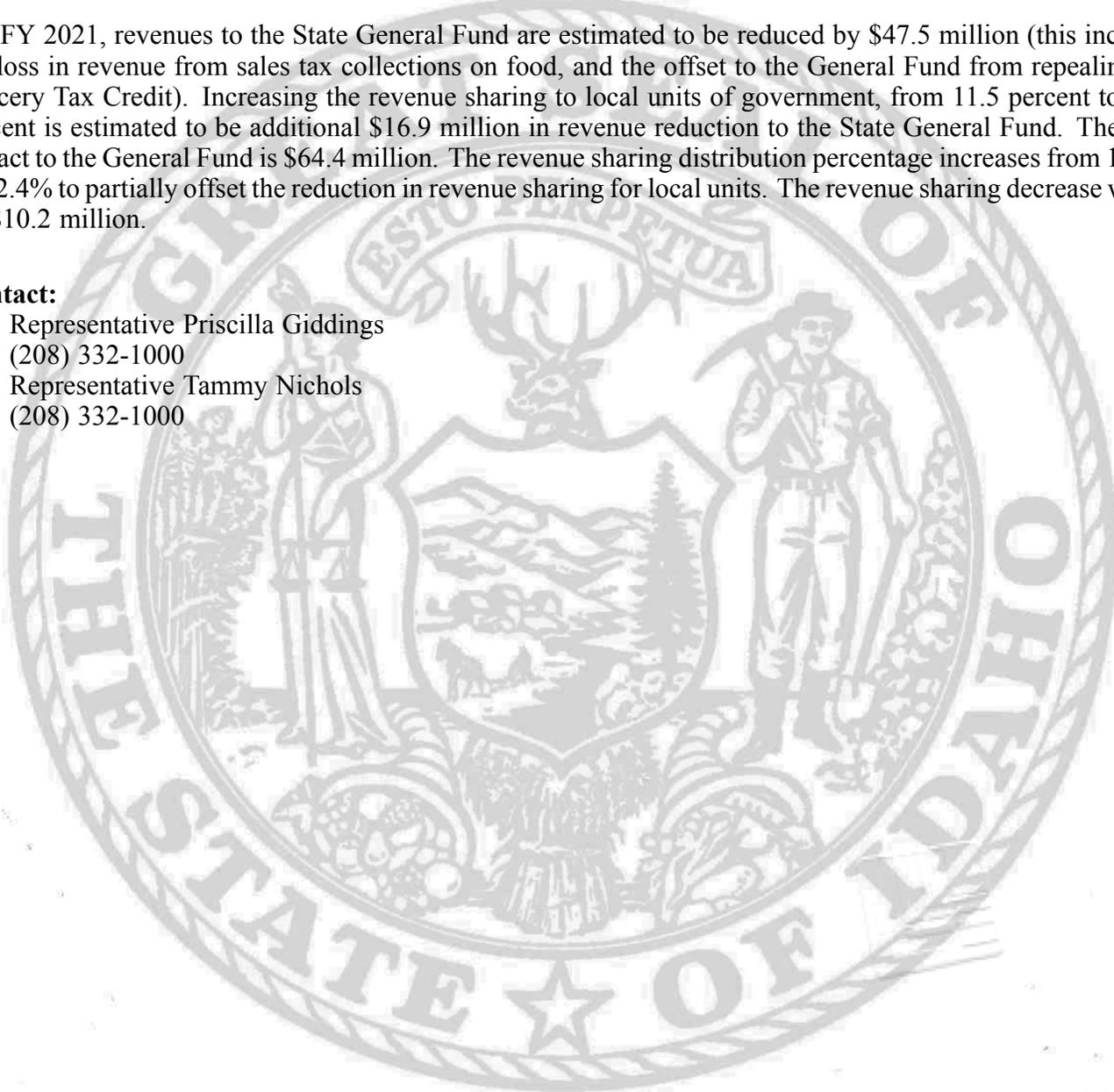
This legislation repeals the sales tax on food sold for human consumption, using the definition of food products provided under the Federal Supplemental Nutrition Assistance Program (SNAP), excluding prepared food. To offset the reduction in General Fund revenue, the proposal will repeal the Grocery Tax Credit and increase the revenue sharing percentage to local units of government. .

FISCAL NOTE

For FY 2021, revenues to the State General Fund are estimated to be reduced by \$47.5 million (this includes the loss in revenue from sales tax collections on food, and the offset to the General Fund from repealing the Grocery Tax Credit). Increasing the revenue sharing to local units of government, from 11.5 percent to 12.4 percent is estimated to be additional \$16.9 million in revenue reduction to the State General Fund. The total impact to the General Fund is \$64.4 million. The revenue sharing distribution percentage increases from 11.5% to 12.4% to partially offset the reduction in revenue sharing for local units. The revenue sharing decrease would be \$10.2 million.

Contact:

Representative Priscilla Giddings
(208) 332-1000
Representative Tammy Nichols
(208) 332-1000



DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).